

ALTERNATE BENEFIT PROGRAM (ABP) **COMMON QUESTIONS AND ANSWERS**

What is the ABP?

ABP provides retirement annuities, noncontributory life insurance, and long term disability insurance for certain higher education employees.

Who is eligible for ABP?

Eligibility is limited to full-time officers, faculty and administrative personnel who are required to possess a bachelor's degree at state or county colleges and certain other state agencies involved with higher education. This includes visiting professors and faculty paid by federal grant. It does not include adjunct faculty.

What is higher education?

The term used for describing the State and County colleges, universities, the Commission on Higher Education, and the Office of Student Assistance.

Is the ABP a state-administered retirement plan?

Yes.

How is the retirement allowance calculated?

ABP retirement benefits are based on the value of the member and employer contributions plus any interest or accumulation on those contributions (not years of service and salary). Payout is made by the various investment companies authorized by the ABP which receive member and employer contributions monthly while the member is employed. There is no disability retirement but there is long-term disability insurance.

How can an ABP member purchase service credit?

Since members are accumulating dollars, not service credit, there is no purchase permitted.

Can an ABP member continue State Health Benefits Program coverage in retirement?

Yes. Those with 25 years of service credit receive state-paid health benefits. Others can authorize health benefits deductions from their investment carrier.

Does the ABP offer active life insurance coverage?

Yes. The ABP provides noncontributory life insurance in an amount equal to 3-1/2 times annual salary.

Are contributions tax sheltered?

Employee contributions, employer contributions, and investment income (if any) are tax sheltered.

How much does my employer contribute?

8% of the member's contractual base salary.

How much do I contribute?

You must contribute at least 5% of base salary.

May I contribute more?

Yes, up to the maximum amount allowable under the IRS rules.

May I take a loan?

Yes. Each carrier provides loans and can provide you with specific information on loan provisions (contact your carrier).

When do I vest?

If you transfer from PERS or if you have an existing annuity contract with an authorized carrier, you are immediately vested. Participants not meeting these specific criteria vest after 12 months of continuous participation. Contact the ABP Office, (609) 777-0887, for specific dates.

What investment choices do I have?

You may choose among six authorized carriers offering various annuity investments approved by the Division of Pensions and Benefits for ABP participants. Contact the carriers for more information.

Do I have income loss protection through a disability plan?

Yes, the ABP offers you employer-paid coverage through a group disability plan. You are eligible after 12 months of continuous ABP participation.

Is there a minimum retirement age with the ABP?

No. You may begin collecting your annuity any time after termination of employment. However, if you take any distribution you will be considered retired by the ABP.

What if I want to return to employment after retirement from the ABP?

We will send you Fact Sheet #38, which provides this information.

I am currently a member of PERS and am considering transferring to the ABP. What considerations should affect my decision?

We publish a booklet titled "*Considerations for Choosing Between PERS and ABP*". It is available from your employer or we can send it to you.

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What are the names of the colleges and agencies that are eligible to participate in the ABP?

ATLANTIC Community College	GLOUCESTER County College	RARITAN Valley Community College
BERGEN Community College	HUDSON County Community College	RICHARD STOCKTON State College of NJ
BROOKDALE Community College	KEAN University of NJ	ROWAN University of NJ
BURLINGTON County College	MERCER County Community College	RUTGERS, The State University
CAMDEN County College	MIDDLESEX County College	SALEM Community College
(The) COLLEGE of New Jersey	MONTCLAIR State University	SUSSEX County Community College
COMMISSION on Higher Education	New JERSEY CITY State University	THOMAS EDISON State College
County College of MORRIS	NJ INSTITUTE OF TECHNOLOGY	UNION County College
CUMBERLAND County College	OCEAN County College	UNIVERSITY OF MEDICINE AND DENTISTRY OF NJ
DEPARTMENT of Education (limited positions — refer to ABP Section)	OFFICE OF Student Assistance	WARREN County Community College
ESSEX County College	PASSAIC County Community College	WILLIAM PATERSON University of NJ
	RAMAPO College of NJ	

Who are the current six authorized carriers for the ABP?

AIG VALIC 450 Headquarters Plaza Morristown, NJ 07960 (973) 285-8200 or 1-800-448-2542 www.americangeneral.com/njabp	The Hartford 303 Lippincott Center, Suite 122 Marlton, NJ 08053 1-800-243-7782, ext. 207 retire.hartfordlife.com	Met Life (formerly Travelers/CitiStreet) 581 Main Street, Sixth Floor Woodbridge, NJ 07095 1-800-545-0108 or (732) 602-0500 www.travelersla.com
AXA Financial (Equitable) 333 Thornall Street, 8th Floor Edison, NJ 08837 1-866-786-0856 www.equitable.com/nj	ING Insurance and Annuity Company 581 Main Street, 4th Floor Woodbridge, NJ 07095 1-877-873-0321 www.ingretirementplans.com	Teachers Insurance and Annuity Association/ College Retirement Equities Fund (TIAA/CREF) 155 Village Blvd, Suite A Princeton, NJ 08540 1-800-842-8412 www.tiaa-cref.org